DOCUMENT RESUME

ED 272 485 SP 027 893

AUTHOR Flannelly, Ellen; Palaich, Robert
TITLE Policy Guide to Teacher Reward Systems. No. TQ84-1.
INSTITUTION Education Commission of the States, Denver, Colo.
SPONS AGENCY National Inst. of Education (ED), Washington, DC.; Spencer Foundation, Chicago, Ill.
PUB DATE Jan 85
NOTE 34p.
PUB TYPE Guides - Non-Classroom Use (055)

EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS Career Ladders; *Educational Policy; Government Role; Job Performance; *Merit Pay; Policy Formation; Teacher Evaluation; *Teacher Improvement; *Teacher Motivation; Teacher Salaries

ABSTRACT

The purpose of this guide, one of the nine-booklet Teacher Quality Series, is to help educational policymakers develop better policies by explaining how to use a compensation plan to improve education and how to make one work. It also encourages consideration of alternative policies to improve education. Each section introduces common positions on an issue in teacher rewards and offers both propositions advancing these positions and considerations of possible problems and alternative possibilities. The following topics are covered: (1) common arguments for, and against, performance-based rewards; (2) goals commonly proposed for performance pay, and limitations on using performance pay to achieve those goals; (3) actions and accomplishments that teachers could be rewarded for, and the usefulness of rewarding these actions; (4) different kinds of performance measurement techniques; (5) different ways of carrying out teacher evaluation; (6) ways to improve education; (7) what merit pay, career ladders and some other systems can be expected to accomplish; and (8) roles for state and local decision makers. A list of recommended readings is included. Information on the Teacher Quality Series concludes the booklet. (JD)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED272485

POLICY GUIDE

Policy Guide to Teacher Reward Systems

CE 027 193

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

S.V. Allen

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☐ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

POLICY GUIDE

Policy Guide to Teacher Reward Systems

No. TQ84-1

By
Ellen Flannelly
and
Robert M. Palaich

Education Commission of the States
1860 Lincoln Street, Suite 300
Denver, Colorado 80295

January 1985

Work on this paper was supported by the U.S. Department of Education, the Spencer Foundation and the Education Commission of the States.

Special thanks to Joslyn Green, Doris Ross and Becky Padilla for their important contributions to the completion of this paper.

The views expressed in this paper are the authors' and do not necessarily reflect the views of the Education Commission of the States.

The Education Commission of the States is a nonprofit, nationwide interstate compact formed in 1965. The primary purpose of the commission is to assist governors, state legislators, state education officials and others to develop policies to improve the quality of education at all levels. Forty-eight states, the District of Columbia, American Samoa, Puerto Rico and the Virgin Islands are members. The ECS central offices are at 1860 Lincoln Street, Suite 300, Denver, Colorado 80295. The Washington office is in the Hall of the States, 444 North Capitol Street, N.W., Suite 248, Washington, D.C. 20001.

It is the policy of the Education Commission of the States to take affirmative action to prevent discrimination in its policies, programs and employment practices.

CONTENTS

INTRODUCTION	4
1. SHOULD OUTSTANDING TEACHERS RECEIVE OUTSTANDING PAY?	6
2. WHAT CAN PERFORMANCE REWARDS DO?	8
3. WHAT SHOULD TEACHERS BE REWARDED FOR?	11
4. HOW CAN PERFORMANCE BE MEASURED?	14
5. WHAT KIND OF EVALUATION PROCESS SHOULD BE USED?	18
6. WHAT OTHER INCENTIVES WOULD ACHIEVE GOALS?	22
7. WHICH PERFORMANCE-PAY SYSTEM?	26
8. WHO SHOULD DO WHAT?	29
RECOMMENDED READINGS	30

INTRODUCTION

EXCELLENT WORK

Many states and school districts are considering merit pay and other performance-based compensation systems to improve education. Yet state and local policy makers often do not have a clear idea of what these systems can and cannot achieve. Moreover, they may be missing opportunities to improve education if they address compensation systems to the exclusion of other options: improving teaching cannot solve all problems in education.

The purpose of this guide is to help legislators, state and local education agencies, school boards, administrators, teachers and communities develop better policies in two ways:

1. **By explaining how to use a compensation plan to improve education and how to make one work**
2. **By encouraging consideration of alternative policies to improve education**

Each section introduces readers to common positions on an issue in teacher rewards. **Propositions** advancing the positions appear in left-hand columns. **Considerations,** such as possible problems and alternative positions, appear on the right. Since policy makers will want to supplement the information provided here, we include recommended readings at the end of the guide.

Section 1 presents common arguments for — and against — performance-based rewards.

The goals that are commonly proposed for performance pay are described in Section 2. Also explained are some limitations on using performance pay to achieve those goals.

Actions and accomplishments that teachers could be rewarded for are listed in Section 3 along with comments on the usefulness of rewarding these actions.

Section 4 describes and criticizes different kinds of performance measurement techniques.

Section 5 presents different ways of carrying out teacher evaluations and discusses their practicality.

Alternative ways to improve education are analyzed in Section 6.

Section 7 looks at what merit pay, career ladders and some other systems can be expected to accomplish.

Roles for state and local decision makers are differentiated in Section 8.

In each section and throughout the guide, the intent is to present a balanced treatment of some of the complexities and difficulties attending pay-for-performance systems.

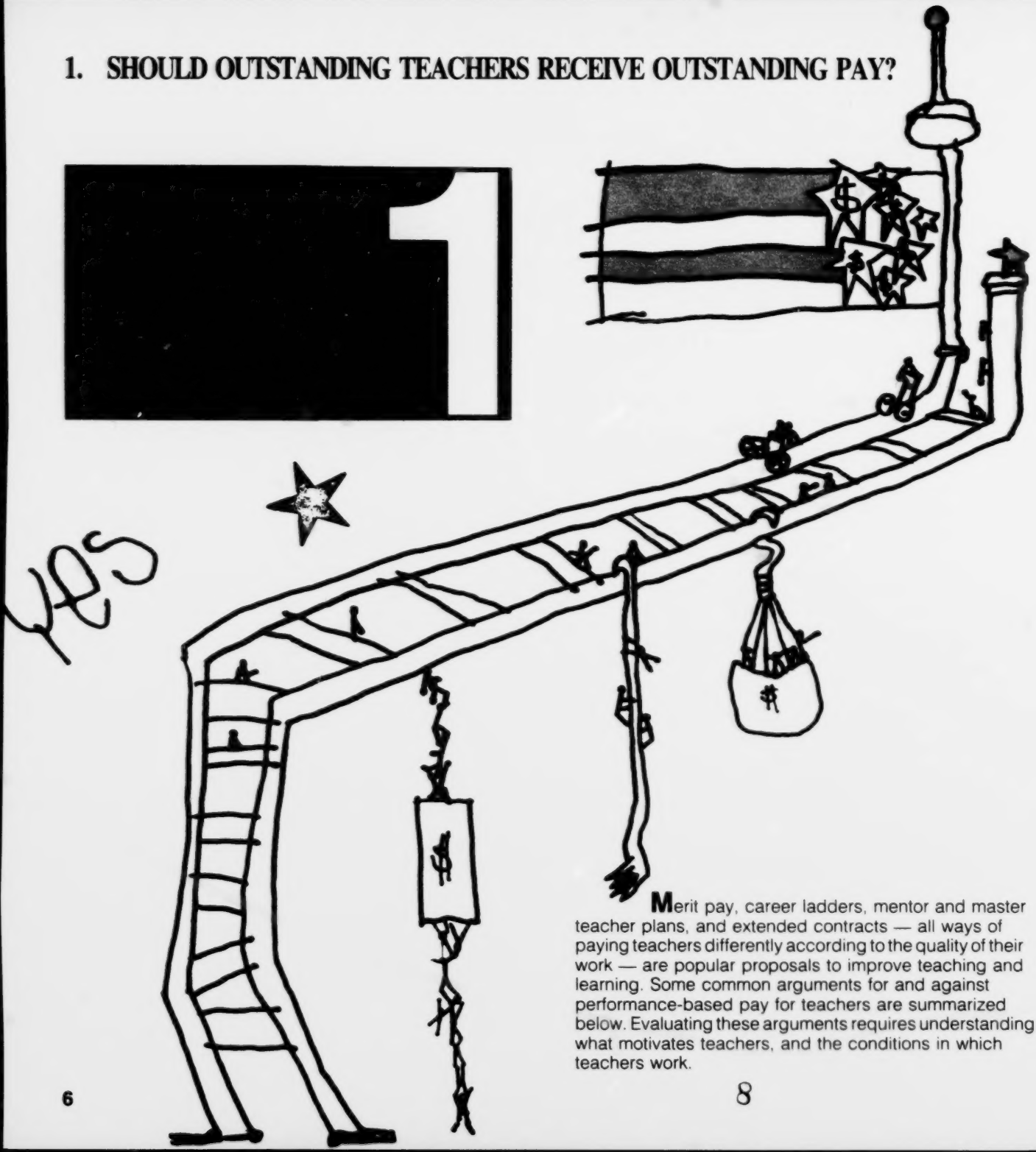
Great as those complexities may be, two things are clear.

First, the goals of any system that rewards teachers for performance must have some connection to what teachers actually accomplish. Improving education by retaining good teachers, for example, is an appropriate goal of a pay-for-performance system. But other kinds of goals are better reached by other means.

Second, incentives will not be effective unless they are based on an understanding of what motivates teachers. Research suggests that teachers are more highly motivated by intrinsic rewards than extrinsic ones. That is, they value inner satisfactions (reaching students effectively, believing they are doing a worthwhile job, interacting with fellow teachers) more than external rewards. To be sure, all teachers should be adequately paid before consideration is given to incentives. But money alone is not an effective motivator.

So there is a common interest here that is often overlooked: policy makers want to promote more effective teaching, and teachers themselves are most strongly rewarded and motivated by the sense that they are teaching effectively. Finding ways to help teachers be more effective will satisfy everyone.

1. SHOULD OUTSTANDING TEACHERS RECEIVE OUTSTANDING PAY?



Merit pay, career ladders, mentor and master teacher plans, and extended contracts — all ways of paying teachers differently according to the quality of their work — are popular proposals to improve teaching and learning. Some common arguments for and against performance-based pay for teachers are summarized below. Evaluating these arguments requires understanding what motivates teachers, and the conditions in which teachers work.

Proposition	Consideration
Outstanding teachers who work harder and better than their colleagues deserve more pay and status.	Rewarding a handful of extraordinary teachers may be legitimate in its own right, but it is not likely to affect the many ordinary teachers — unless to discourage them. There is little agreement about what characterizes outstanding teaching. If teachers do not accept the validity of the standards used to choose outstanding teachers, they will be demoralized — a high price to pay for rewarding a few.
Many employers routinely reward performance with bonuses, merit increments and the like.	Many employers have abandoned merit pay and other reward-for-performance systems because they cannot solve problems of defining standards and evaluating performance and because employees are often unwilling to accept these systems. Performance-based rewards seem to work best where work is easily measured, as in sales or manufacturing. Teaching is far more complicated and therefore less suited to these types of rewards.
Money and status are powerful motivators. Teaching does not offer enough money and status to talented and ambitious people.	Research indicates that teachers feel most rewarded by success with students and that monetary rewards are a relatively weak incentive.
The single salary schedule does not reward or encourage excellence. It rewards the wrong things: years of employment and course work, neither of which has been shown to relate strongly to quality of teaching.	The single salary schedule encourages a stable work force and guarantees teachers steadily rising wages. It does not cause envy, damaging competition and low morale among teachers who are not rewarded.

■ *Teachers, like everyone else, want to get paid adequately for their work. Research shows that low pay keeps some talented people from choosing teaching and becomes a source of dissatisfaction after teachers have been working for a while. It goes against common sense to suppose that money has no effect on teachers — but how it affects them is complicated.*

Clearly there is little agreement on the need for performance rewards — or on their effects. Except for merit pay, performance rewards have not been tried enough to know how and when they work. We believe that rewards alone will not make a significant difference in the quality of teaching. However, rewards used to reinforce other changes — for example, better inservice training, new roles for expert teachers (training new teachers and instructional leadership), constructive evaluation programs and changes in school climate — can make a difference. Whether a state or district adopts rewards alone, other changes alone or some combination is a political choice based as much on values as on the best available advice.

2. WHAT CAN PERFORMANCE REWARDS DO?

I SEE ME !

Some people plan performance rewards to make sure teachers do their part in achieving education reforms. Others want performance rewards because of public pressure or a general, unexamined belief in the value of such rewards. There is a danger, especially in the latter cases, that people will try to use performance rewards to achieve the wrong results. We believe that planners must pick the right goals for performance rewards: ones that can be achieved by teachers' actions. Many desirable education reforms cannot be accomplished by paying teachers differently; performance rewards play just one part — and a supporting part at that — in changing education. In this section we analyze typical goals for performance rewards in light of what we know about teaching and teacher motivation.

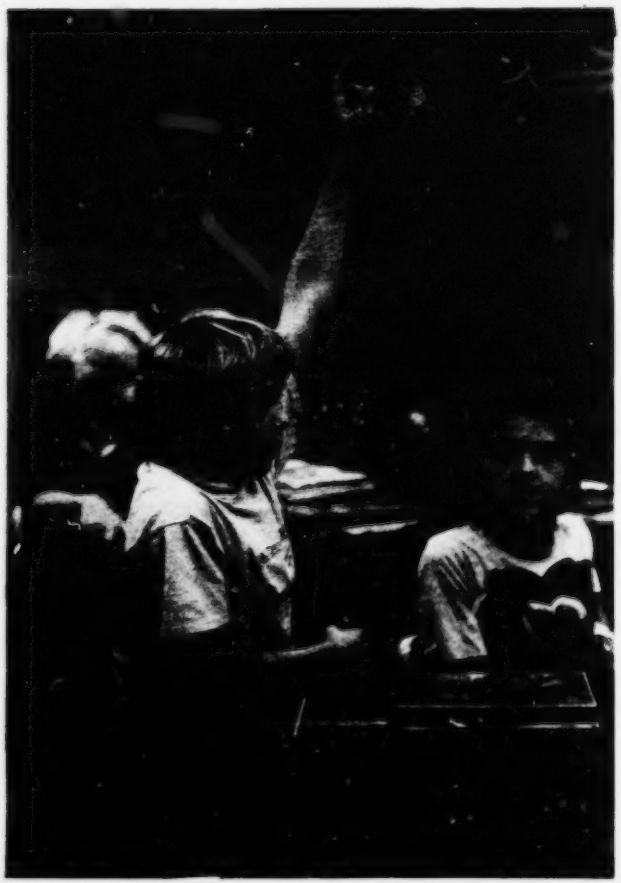
Proposition	Consideration
Attract More Capable People Into the Teaching Profession	
The quality of people entering teaching has been declining by any measure of academic ability or achievement. If capable people felt they could earn more money and status for their efforts, more of them would choose teaching.	People who choose teaching are motivated more by human service than by money and status. The chance to compete for rewards is not likely to attract many more people to teaching. Research shows that low starting salaries and low lifetime earnings discourage people from becoming teachers. Intermittent rewards for a few teachers are not likely to overcome reluctance to enter a generally low-paying field.
Improve Learning	
If some teachers are rewarded on the basis of how well their students do, all teachers will strive to improve student achievement.	Linking teachers' rewards directly to student learning presents some problems, since learning is significantly affected by many factors (prior learning, home background, motivation and school environment). From a practical standpoint, rewarding the teachers whose students excel does not show other teachers how to improve student achievement.
■ *The ultimate purpose of all performance rewards is to improve learning. But, as important as teachers are, learning is not a simple, direct effect of teaching. Many elements in the education process, including teaching, have to change simultaneously to improve learning. And some amount of learning will always depend on the students themselves.*	
Improve Teaching	
If good teachers are rewarded with money and status, all teachers will work harder and better, they will be more motivated and they will improve their teaching.	Teachers are not solely motivated by money and status. There is no agreement on the definition of good teaching or standards to measure it, although research is beginning to identify some general characteristics. Thus teachers lack guidance about how to improve.
Other teachers will follow the example of the teachers who get rewards.	Teachers seldom observe each other teaching and so cannot learn from their colleagues. Even if they could see outstanding teachers at work, improving teaching is more complicated than simply copying other teachers' methods. In the typical school, where teachers are isolated in their classrooms and tend not to interact on professional matters, performance rewards are likely to cause competition. Teachers are then unlikely to share ideas about how to teach or to seek each other's advice.
■ *Teachers are the best experts on teaching. They learn best from one another in an environment structured to make education a product of joint efforts.*	

Retain Good Teachers in the Classroom

The only way now that teachers can significantly increase their earnings, status and professional responsibilities is to become administrators — or leave teaching. The result is that the best teachers often leave the classroom.

Lack of advancement is only one reason teachers leave teaching. Lack of success with children, adverse working conditions, lack of appreciation and low pay are more important reasons, say teachers who resign.

If teachers most value effectiveness with students, helping them increase their effectiveness helps keep them in the classroom. Experimenting with new techniques and helping other teachers are some ways teachers become effective. Rewarding these kinds of performance has two advantages: it satisfies teachers' needs for recognition while it improves teaching.



EXCELLENT WORK

12

3. WHAT SHOULD TEACHERS BE REWARDED FOR?

Following the decision to reward teachers for performance come decisions about which types of performance to reward. Teachers' knowledge, their actions in and out of the classroom and the achievement of their students are all possible grounds for reward. In deciding what actions to reward, one should ask these questions: Do teachers have control over these actions? Will these actions help achieve the goals set for the performance-reward system? Can these actions be observed and measured?

Proposition	Consideration
What They Know	
Everyone agrees that teachers should be competent in basic language and computation skills, the subjects they teach and teaching theory. Some people propose rewarding teachers according to how much more than the minimum they know.	Competence in basic skills should be a requirement for entrance into teacher training. Knowledge of a subject area beyond some essential minimum does not consistently relate to ability to teach it. Knowledge of teaching theory does not necessarily reflect the teacher's ability to apply this knowledge. Competence in basic skills is best acquired when prospective teachers are still in school. Knowledge of subject area and teaching theory are best acquired before graduation or certification.
How Well Their Students Learn	
Student learning, personal growth and social development are the goals of teaching. It is very unsatisfying to avoid considering them in evaluating and rewarding teachers. But there are serious problems with using student achievement as a direct measure of teachers' performance.	Determining how much teachers contribute to the learning process is impossible because earlier learning, abilities, socio-economic status, home background, motivation, class size and many other factors also influence student achievement.
Standardized tests, the way most commonly proposed to compare student achievement, present methodological and other problems. Comparisons of test results may be statistically invalid. Tests do not measure what is actually taught in the classroom or personal and social growth, citizenship, artistic sensitivity and other less tangible goals of education.	Rewarding teachers for the way their students perform on standardized tests can encourage them to emphasize material appearing on the tests to the exclusion of other desirable material and skills.

■ *Better ways of evaluating teachers' effectiveness in promoting student achievement need to be developed. One promising way is to obtain the opinions of teachers who subsequently work with the students. Other ways are supervisors' observations of students, sample evaluations of students' work or parents' opinions. Whatever the approach, student achievement should be only a minor element in the evaluation of teachers.*

What They Do in the Classroom

Teachers should be rewarded for skillfully applying good teaching practice. This approach allows high expectations for teachers' performance according to professional standards without making them responsible for the whole effect on students, of which they produce only a small part.

Teachers can learn to improve when what they do in the classroom is pointed out to them and compared to good teaching practice.

Current research on what has been termed "effective teaching" attempts to link teaching behaviors to student achievement.

Disagreement on what constitutes good teaching practice means that selecting standards of performance would be difficult and controversial.

Teaching theory rests on shared but untested beliefs about what will work rather than on rigorous experimentation and research. It is possible that much of the criticism directed at teachers should instead be directed at deficiencies in teaching theory.

No single style of teaching works for all teachers with all students. An evaluation system must be flexible enough to encourage professional judgment and adaptation to the particular circumstances.

There is growing agreement that certain actions teachers take to manage classrooms and instruct students are associated with effectiveness.

There is also some criticism of the effective teaching research that cautions against automatically accepting results. Studies cover a small number of cases, most of the studies are produced by a small number of researchers who build on each other's work and definitions of effectiveness are inconsistent. The studies in general show only that some characteristics are associated with student achievement, not that these characteristics cause achievement.

■ *Some reasonable middle ground can be found. Maintaining that nothing is known for sure about good teaching goes against common sense. Even inconclusive research suggests ways to improve teaching, though it may not support decisions to reward teachers. Widespread discussion of teaching standards is valuable because it focuses attention on teaching practice.*

What They Do Outside the Classroom

Teachers' actions in the classroom are not their only important contribution. Teachers can be rewarded for helping their colleagues, planning school goals and improving relationships with parents and community.

As in teaching, there is little agreement about what external activities are important. Some teachers might object that the rewarded activities are outside their contract requirements.

Should Groups of Teachers, or Individuals, Be Rewarded?

Rewarding schools or groups of teachers is more realistic than rewarding individual teachers because student achievement depends on school climate and the efforts of all teachers.

Group rewards are a disincentive to individual effort.

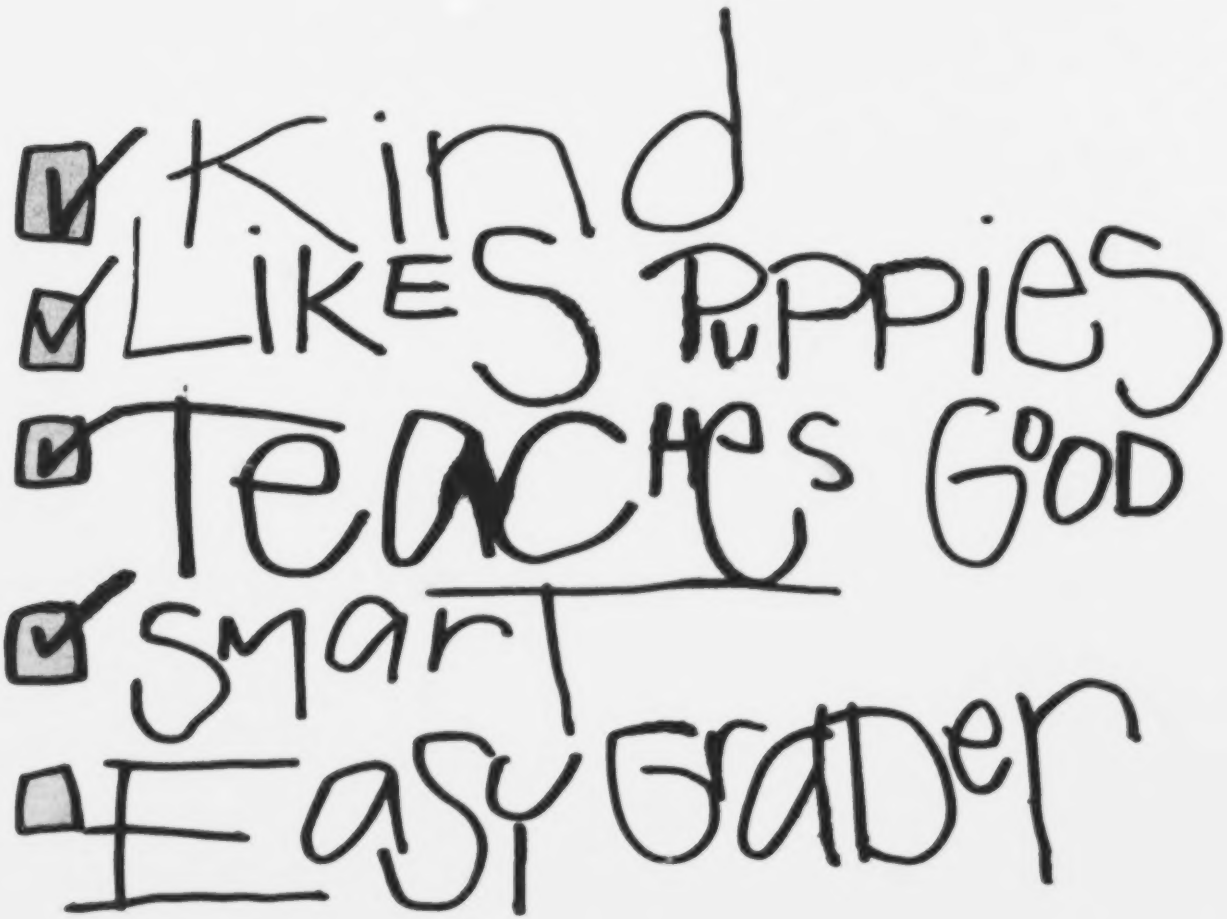
Group rewards will encourage teachers and administrators to cooperate, which research says helps to improve teaching.

Giving schools rewards would allow local decisions about how to use them effectively.

Group rewards will create divisiveness and resentment because some teachers will feel that they are contributing more than others.

Poor teachers will not be motivated to improve because they know they can ride on the coattails of their colleagues.

■ *There is a difference between rewarding a group for its overall performance and motivating individuals to contribute to group performance. It is possible to hold a group theory of educational effectiveness and still offer individual incentives — or, alternately, to hold an individual theory of effectiveness but still offer group rewards that appeal to individuals.*



4. HOW CAN PERFORMANCE BE MEASURED?

Below we explore the uses and limitations of some common techniques for measuring how teachers perform — that is, how well they do what a state or school district has decided they should do. Problems of measuring performance by student achievement, discussed in the previous section, will not be repeated here. Techniques for measuring should be judged against the following criteria:

1. **Fairness to teachers and legal defensibility. The measures should reasonably relate to good teaching and school goals. The techniques should be "objective" in the sense that various observers using them could reach the same conclusion.**

2. **Helpfulness. The measures should tell teachers what they are doing right and wrong, and what actions would help them improve.**

3. **Teacher involvement. Teachers, not just administrators, should be involved in selecting measurement techniques, not just administrators. Teachers are the experts in teaching.**

Proposition	Consideration
Measuring Teachers	
Tests	
Teachers can be rewarded according to their scores on tests covering teaching, subject matter and whatever else a state or district considers important.	Although tests can accurately measure knowledge, it has not been proved that tests relate well to classroom performance, which is more important.
Tests are generally objective, free from personal bias and make comparisons among teachers simple and defensible.	If tests are not carefully validated to measure knowledge that is actually necessary to do the job of teaching, courts may reject them.
	Major test makers claim that their tests measure minimum competencies only and do not differentiate higher levels of ability.
Tests are easy and inexpensive to administer.	Test development and validation are generally very expensive.

■ *Testing makes sense to assure that people possess the minimum knowledge needed to graduate or be certified as teachers. Because test results correlate poorly with actual performance, tests provide little useful information about teachers who have demonstrated minimum qualifications.*

Observation	
Observing teachers in the act of teaching is better than testing.	Formal observations are too intermittent to reflect performance accurately. They tend to evoke artificial performances by teachers.
Observation can accommodate a much wider range of performances that are important to teaching than can testing.	Observation is nonetheless difficult to standardize.
Observer bias is not an insuperable problem. Bias can be reduced by using multiple observers, by having observers indicate only whether an action is performed rather than rating it and by not letting observers know how each measurement is weighted.	Formal observations are expensive and administratively cumbersome.
Observations are useful not only for evaluating teachers but also for providing teachers with information about how to improve performance.	

Sample Characteristics of Effective Teachers

Despite the problems, states and school districts have developed behavioral standards for evaluating teachers. Some standards are based on effective teaching and effective schools research, some are generated by local committees and many have been validated by careful research. A sample of these behavioral standards follows.

Teaching Practice

Teachers vary teaching methods with the subject and the needs of the students.

Teachers make sure that students know what they are supposed to learn, how it relates to previous work and how difficult it will be.

Lessons are clear and focused. Teachers monitor student learning, provide feedback and review material not satisfactorily learned.

Teachers involve students actively in lessons.

Teachers provide "academic learning time" — that is, time students spend learning new skills to the point of mastery.

Classroom Management

Teachers plan lessons well, setting learning objectives and choosing appropriate methods and materials.

Teachers use time efficiently and minimize nonacademic intrusions on learning time.

Physical and topical transitions are efficient.

Space and materials are organized efficiently.

Teachers set explicit standards for student behavior and adhere to them.

Teachers manage student interaction and handle disruptive behavior effectively and consistently.

Subject Area Mastery

Teachers demonstrate appropriate knowledge of subject matter.

Teachers convey the importance of their subjects.

Attitudes

Teachers set high expectations for student achievement.

Teachers communicate clearly with students.

Teachers are fair to students, sensitive to them, and encourage them to develop good self-concepts.

Teachers are enthusiastic about learning and about the subjects they teach.

Participation in Schoolwide Activities

Teachers exercise leadership in developing curriculum, instructional materials and teaching methods.

Teachers help their colleagues solve problems and improve.

Teachers participate in school planning.

Teachers play a part in helping schools establish good relations with parents and the community.

Individual Performance Objectives

Teachers, in cooperation with their supervisors, can set objectives for improving their own performance. They can then be evaluated on whether they have met these objectives by the end of a given period. The result can be that teachers work on exactly what they need to work on.

Precisely because these performance objectives are tailored to individual teachers, performance cannot be compared among teachers.

How progress toward individual performance objectives should be measured will depend on what objectives are set.

■ *Other measurement techniques include performance in simulated conditions, peer review of lesson plans, teacher self-report, parent and student satisfaction. These methods meet the criteria of fairness and helpfulness less well than testing, observation and performance objectives.*

Measuring Schools

Research on "effective schools" suggests ways to measure schools if group performance is rewarded.

Consensus on the characteristics of effective schools is by no means complete. Different studies cite dozens of characteristics, some overlapping and some quite divergent.

Much research on effective schools is anecdotal, methodologically weak and inconclusive.

There is no way to know what characteristics will work in what settings.

Sample Characteristics of Effective Schools

Everyone in the school emphasizes the importance of learning.

Strong leaders guide the instruction program.

School buildings are safe and attractive.

Class time is protected from nonacademic distractions.

The curriculum is based on clear objectives.

The learning process is monitored closely.

Discipline is firm and consistent.

There are high expectations for teacher performance.

Incentives and rewards build strong motivation.

Parents are involved in schooling.

Teachers confer frequently about teaching matters and help each other solve teaching problems.

There is a belief that all teachers should continually improve.

Student achievement meets or exceeds established levels.

There are few indications of student alienation: truancy, dropout rates, vandalism, etc.

The school has set up staff development programs, carried out needs assessments or otherwise demonstrated the capacity for change.

5. WHAT KIND OF EVALUATION PROCESS SHOULD BE USED?

Just as important as choosing suitable techniques for measuring performance is setting up a process for carrying out evaluations. Many programs have failed because this process has been inadequate. Many practical decisions need to be made about who carries out evaluations, how, when and how to use the information evaluations produce. An evaluation process should be judged against the following criteria:

1. **Teachers as well as administrators should help design the process, just as they should help select measurement techniques.**

2. **The process must be clearly communicated to everyone who is being evaluated.**

3. **The process must be fair — free of bias, based on objective measures and applied equally to all teachers. There must be an appeals process; teachers should have an opportunity to remedy deficiencies.**

4. **The process needs to be administratively workable in terms of time, people, resources, record-keeping, etc.**

5. **The resources committed to evaluations must be adequate, evaluations must be competent and there must be administrative support for the use of evaluations.**

Proposition	Consideration
Who Should Do Evaluations?	
Principals	
Since principals have always done evaluations, they should continue. They know who their good teachers are.	Principals cannot spend sufficient time with each teacher; they are not competent to judge teaching in a wide range of subjects, especially in high school; they tend to have favorites based on reasons that have nothing to do with teaching performance.
Principals should continue to do evaluations but they need training in objective evaluation procedures.	
Teachers	
Since teachers know most about the subjects they teach, the craft of teaching and differences among students, they are best suited to evaluate one another.	If teachers tacitly agree to maintain low standards in order not to penalize their less competent colleagues and to reduce the effort needed to earn rewards, they will promote mediocrity rather than excellence.
Mentor or master teachers can do the evaluating. But they must be selected by a process other teachers respect, and they must be well trained for their new roles.	When teachers evaluate one another, a supportive relationship in which teachers help each other to improve will be replaced by one in which teachers are reluctant to seek advice for fear of seeming incompetent.
Students	
Evaluators who visit the classroom a few times a year cannot get a complete picture of the teacher's abilities. Since students spend far more time observing and comparing teachers than evaluators who visit the classroom a few times a year, students should do the evaluating.	Students are necessarily biased; they do not know anything about teaching theory; they will make evaluations into a popularity contest, rewarding teachers with entertaining personalities or who go easy on homework, grades and discipline. Teachers will be tempted to lower their academic and discipline standards in order to "bribe" students to give them good evaluations.
Parents	
Parents pay teachers and have a right to some say about evaluations.	Parents know teachers' reputations by hearsay. They may evaluate teachers more highly if their children get good grades. Parents are generally not competent to evaluate teaching; furthermore, if they are dissatisfied with their children's education, they can make their feelings known through the elected school board.
Trained Observers	
Trained observers who simply record what teachers do but who do not evaluate what they observe can produce objective, unbiased data. Principals, committees of teachers and administrators or whoever is designated could then base evaluations on these and other data.	Hiring and training observers with no other role in the school system would be expensive. Since other people are required to make judgments, some costs are duplicated.

Multiple Sources of Evaluations

Teams of administrators, teachers and outside experts have sufficient expertise to evaluate all aspects of teacher performance, while guarding against bias.

Alternatively, all of the preceding sources — principals, teachers, students, parents and trained observers — can be used in evaluating teachers. This would be a complicated process, but it could produce a complete picture of each teacher's effectiveness. The costs of involving more people must be weighed against the benefits of thorough evaluations.

The more people and time are involved in evaluations, the more expensive the evaluations process will be. Using many different evaluators will confuse teachers about their primary accountability.

■ *Whoever observes or evaluates should be well trained in clinical observation, the use of evaluation concepts and instruments, giving feedback and other skills. In general, teachers and administrators do not now have the proper training for carrying out the good, thorough evaluations that reward-for-performance systems require.*

Who Should Be Evaluated?

All teachers should be evaluated and rewarded accordingly in order for performance pay to have the maximum impact on improving teaching. In fact, evaluations can be used to improve teaching even though they are not connected with performance pay.

Principals, superintendents and other administrators should be evaluated as well as teachers. They are all important to the success of the school system.

Once teachers get tenure or positions on a career ladder, they should be evaluated only if they get new responsibilities or if there is some indication of a problem.

A district may concentrate its evaluation resources strategically, concentrating them in areas of greatest need and perhaps evaluating only beginning teachers and those with problems.

If teachers volunteer to be evaluated for performance pay, both evaluations and incentives will be accepted more readily. Teachers who were hired with expectations of tenure and salary schedules should not be forced to participate in a new system.

How Often Should Evaluations Be Conducted?

Once a year is all that is manageable.

Beginning teachers should be evaluated as frequently as once or more a week; veteran teachers need to be evaluated only once a year.

All teachers should be evaluated on a rotating schedule (such as three intensive evaluations a year every two or three years). If fewer teachers are evaluated each year, evaluations can be more thorough.

If evaluations involve observations, several observations should be made during an evaluation period in order to minimize distortions.

Frequency of evaluation depends on factors such as who does the evaluations and the demands on their time, how much the evaluation process interferes with classroom activities, how many or what level of teachers are evaluated.

Frequency of evaluation also depends on the purpose of the evaluation, for example, all teachers who would have to be evaluated each year for annual merit pay awards, perhaps less often for a career ladder. Evaluations used to help teachers improve their skills would not have to be frequent (unless there were severe problems). Evaluations used to decide on termination or tenure would probably have to be frequent to compile sufficient evidence.

How Should Evaluations Be Used?

Evaluations should be used summatively, to decide which teachers get rewards or, in extreme cases, which teachers must remedy deficiencies.

Summative evaluations will be seen by teachers as very threatening. As the preceding discussions of evaluation measures and procedures make clear, no system is free from controversy. Teachers who distrust the evaluation system can readily find justifiable grounds to challenge and resist it.

Summative evaluations may raise barriers between teachers and those evaluating them. Such barriers prevent the open professional exchange that fosters cooperation and learning to improve teaching.

Evaluations should be used formatively, to provide teachers information on their performance and show them areas where they need improvement.

Evaluations that are used only formatively require less protection against unfairness than summative ones and therefore cost less in time, personnel and money. Teachers will be more likely to accept evaluations if evaluations help them become more effective.

Since formative evaluations identify areas that need improvement, they can be the basis of a sound staff development program.

■ *The problems in evaluations are not insurmountable; most people in most jobs are evaluated more or less formally. What is unique about teaching is the rarity with which teachers are exposed to direct scrutiny. Introducing regular evaluations is bound to make some teachers unhappy. Incurring the inevitable problems needs to be justified by obtaining desirable results. Assuring minimum competence clearly justifies some unhappiness, and improving teaching probably does; just paying teachers differently probably does not.*

6. WHAT OTHER INCENTIVES WOULD ACHIEVE GOALS?

Other changes besides performance-based pay can help improve teaching. They may not involve direct compensation, but they can require monetary outlays at least as substantial as those required for performance-based pay. In many instances, these changes are more straightforward than pay for performance and more likely to be effective. Below we list some improvements, with comments on their likely effects and drawbacks in the right-hand column.

Proposition	Consideration
Attracting More Capable People into the Teaching Profession	
Higher salaries generally (starting salaries and lifetime earnings) would attract more capable people who are currently choosing more lucrative fields.	The effectiveness of this approach depends on whether some people, who would in fact be good teachers, are rejecting teaching because of low salaries and would in fact be good teachers.
Setting higher standards for admission to schools of education, graduation and certification would screen out unqualified candidates. It is possible that higher standards would increase the prestige of teaching, thus attracting more capable people who are now dissuaded by its relatively low prestige.	Setting higher standards without adding incentives would, at least initially, shrink the pool of teacher candidates and beginning teachers. The risk of a shortage needs to be weighed against the benefits of improving the pool. Any efforts to attract better people into teaching will not bear fruit for a long time. They will not solve immediate problems in education.
Improving Teaching Practice	
Both school districts and teachers have a strong interest in increasing teachers' effectiveness. If effectiveness is a teacher's greatest reward, then increasing effectiveness through training will achieve the goals of teachers and districts. As long as teachers are adequately paid to begin with, they may not need the reward of additional compensation to maintain high motivation, performance and job satisfaction.	
Good inservice training is the most direct way to improve teaching and affect a large part of the work force. Teachers need continuing practical training once they are in real classrooms. Research continues to identify effective teaching techniques that experienced teachers can learn to use.	Good training is expensive and takes teachers away from the classroom. The results of traditional inservice training have generally been disappointing, at least partly because of failure to commit sufficient resources to training. Staff development costs can be defrayed somewhat by using teachers promoted in incentive systems to train their colleagues.
The search for appropriate standards for performance gives a district information about what kinds of teaching it wants to foster, while evaluations tell it where its deficiencies are. This becomes a needs assessment enabling a district to design staff development programs.	
The most effective way teachers learn to improve their skills is by interacting with their colleagues on professional matters. Schools need to create environments that promote opportunities to interact, openness about discussing professional problems and new ideas, freedom to experiment with new methods and emergence of leadership among teachers.	Typical school organizations discourage interaction and assistance by isolating teachers in their classrooms. This isolation reinforces an ethic of autonomy, which discourages teachers from asking for or offering suggestions for improving. Schools need to replace isolated environments with collegial ones.

If beginning teachers were better trained they could learn more efficiently once they are in the classroom.

Close supervision of new teachers, mentors for new teachers or apprenticeships before teachers have sole responsibility for classrooms are ways to help new teachers off to a better start.

There is not enough time in the already crowded education curriculum to add more practice teaching. Extending teacher training to five years could increase practice teaching time.

Retaining Good Teachers

Professional development programs that make teachers more effective would help retain teachers. By becoming more effective, teachers would be more satisfied and so more likely to remain in teaching.

Opportunities for professional growth, increased responsibilities, diversity, greater prestige and income (which some career ladders offer) encourage teachers to remain in the profession. Using teachers as trainers, evaluators or curriculum leaders encourages them to stay in teaching — and also helps schools improve teaching.

Many teachers complain about working conditions. They are frustrated by administrative duties that detract from instructional time, interruptions of academic activities for announcements and extracurricular programs, large classes, lack of teacher aides, paperwork, absence of disciplinary mechanisms, inadequate resources, unsafe and unattractive working environments, and exclusion from decision making and planning processes. Competent administrators can improve many of these working conditions.

Formal recognition, grants for educational travel and study, sabbaticals, additional classroom resources and the like could help teachers improve their practice, maintain their interest and make them more satisfied with teaching.

When teachers are asked why they quit, they often mention low pay after feelings of ineffectiveness and frustration with school conditions. Raising pay where it is currently inadequate would help retain teachers, especially those talented enough to have attractive options.

Rewarded teachers must want new responsibilities, and the other teachers must accept their leadership. These attitudes cannot be imposed but are best cultivated by school organizations that encourage cooperation and continuing improvement.

Administrators should see if their schools have these common problems and remedy them. Teachers should help identify problems and develop solutions.

Improving Learning

Attracting better teachers, improving teaching practice and retaining good teachers in the ways described above will all help improve education.

The entire school environment helps or hinders teachers' abilities to be effective. Clear academic goals, high expectations for student achievement, teacher participation in planning, adequate resources, staff development programs, order and safety, and leadership are vital if schools are to improve teaching and learning. Creating this kind of school environment is more likely to be effective than rewarding individual teachers for performance. (Rewarding performance can, however, reinforce teachers' actions that help create such an environment.)

7. WHICH PERFORMANCE-PAY SYSTEM?

If states or school districts decide to go ahead with performance-pay systems, they should recognize that different plans are more suitable for certain goals than others. Below we describe the major systems being proposed and discuss what they can and cannot achieve. Rewards for teachers to meet management objectives (such as teaching in unpopular schools or teaching subjects where there are shortages of qualified people) are not intended primarily to improve teaching. Since this system is not based on quality of performance, we will not discuss it here.

Performance-pay systems should be measured against the following criteria:

Effectiveness	**How likely is the proposed system to achieve the states' or school districts' goals? Can its results be measured?**
Acceptability	**Does the plan allow for meaningful teacher participation? Is the plan acceptable to parents and the community?**
Legal Defensibility	**Do the procedures for judging and rewarding teachers meet required standards of fairness?**
Manageability	**Is the effort to evaluate, train, reward, keep records and design new jobs reasonable? Are state and school staff capable of handling this effort?**
Affordability	**Can states and districts pay for the rewards and the additional efforts needed to implement the system properly?**
Flexibility	**Can the plan be modified to suit individual school needs? Can it be changed if it is not working?**

Proposition	Consideration
Merit Pay	
In merit-pay systems, teachers receive periodic bonuses or salary increases based on their performance ratings.	Merit rewards need to be substantial in order to affect teachers' career plans significantly.
By rewarding excellent teachers, merit pay may make them more satisfied with their work and more willing to remain in teaching.	If restricted to an arbitrarily small number of teachers, merit rewards are likely to discourage excellent teachers who have only a small chance of getting a reward.
	Merit pay will not attract more capable people into teaching because both the likelihood of getting an award and the size of the award are small.
	Merit pay is not likely to improve teaching because it does not show other teachers how to improve or change the school environment in ways conducive to better teaching.

Career Ladders

In career ladder systems, teachers qualify by performance to advance from entry level through several steps, each step carrying increased pay and responsibilities.

Career ladders can help retain good teachers if they reward teachers with opportunities for professional development as well as with higher pay and higher status.

Career ladders can reward good performance by making it the criterion for advancement. The best teachers need not leave the classroom to advance themselves professionally.

Career ladders can improve teaching by using higher-ranking teachers in staff development activities such as training, supervising and evaluating other teachers.

Career ladders give teachers something to strive for and to look forward to, as well as recognition for good performance. Instead of treating all teachers alike, they allow for gradations of experience and ability.

Career ladders that automatically base higher pay and higher status on longevity and set no performance standards will not change the current situation.

Additional responsibilities will remove teachers from the classroom at least part of the time. Therefore, loss of their teaching services and paying substitutes are costs that must be added to the costs of higher pay.

New tasks assigned to higher-ranking teachers must be meaningful and needed by the schools and districts.

Master/Mentor Teachers

Master or mentor teacher plans are variations on career ladders that establish only two classifications: (1) teacher and (2) master or mentor teacher. Only a small number of teachers are promoted. Generally master or mentor teachers spend some time away from teaching on staff development or school improvement.

Master/mentor plans offer the advantages of career ladders in status and professional development potential. But these plans share the disadvantages of merit pay in restricting the number of awards. Teachers who are not rewarded may become discouraged, and they may resent those who are rewarded.

Extended Contracts

Another variation on career ladders is to make high performance a criterion for eligibility for additional assignments (and pay). Excellent teachers who teach summer school, take on more than a standard workload or accept extracurricular assignments can earn higher salaries without leaving the profession.

In many cases, excellence is a desirable criterion for additional assignments. However, extended contracts would be perceived as rewards or incentives only by teachers willing to spend additional time and effort working.

8. WHO SHOULD DO WHAT?

States and school districts need to form partnerships to improve education. Setting standards for teachers and providing incentives for change are important state roles. Local leadership to nurture the change process and opportunities to set local goals are vital. State and local roles and the nature of change are summarized in this section.

State Roles

By setting higher standards for teacher training, graduation from teaching programs and certification, states can raise the quality of new teachers.

State legislatures can stimulate educational improvement by making it a clear state goal.

States can fund districts to: raise teacher salaries, provide incentives, train teachers, hire people to do evaluations, release teachers for new responsibilities, test different incentives and improvement strategies, and obtain the resources needed to maintain safe, comfortable school environments.

Local Roles

School districts need not wait for state leadership. They can make changes on their own.

School districts need to define their own goals and design teacher incentive plans or other changes that seem most likely to reach these goals.

School districts need to manage the process of change. They need to make people aware of problems and options for change, help people arrive at consensus and design evaluation and reward programs that fit local values.

School districts must monitor their improvement programs and change them if the programs are not reaching district goals.

The Nature of Educational Change

Change cannot be imposed on schools and teachers. They must agree that change is necessary. They must take part in planning for change. They must value the results change is expected to bring.

Change takes a long time. Patience in waiting for results must be combined with an awareness of when things are going wrong.

Teachers and administrators must be trained in new roles and helped to practice them. The learning process requires time and money.

Changes will be influenced by the environment in which they take place — by organizations, people, values and resources. No recipe for change will fit all situations, and no change will produce exactly the same results in all settings.

■ *Change is most easily achieved when public interest in education is high. Policy makers should take advantage of the current favorable climate to try out performance rewards and other ways of improving education.*

RECOMMENDED READINGS

1. Should Outstanding Teachers Receive Outstanding Pay?

Rosenholtz, Susan J. "Political Myths About Reforming Teaching." Denver, Colo.: Education Commission of the States, 1984.

2. What Can Performance Rewards Do?

American Association of School Administrators. "Some Points to Consider When You Discuss Merit Pay." Arlington, Va.: 1983.

Palaich, Robert and Ellen Flannelly. "Improving Teacher Quality Through Incentives." Denver, Colo.: Education Commission of the States, 1984.

3. What Should Teachers Be Rewarded For?

McGreal, Thomas L. **Successful Teacher Evaluation.** Alexandria, Va.: Association for Supervision and Curriculum Development, 1983.

Medley, Donald M. et al. **Measurement-Based Evaluation of Teacher Performance.** New York: Longman, 1984 (especially chapters 1–3).

Millman, Jason, "Student Achievement as a Measure of Teacher Competence," in **Handbook of Teacher Evaluation,** ed. Jason Millman. Beverly Hills, Calif.: Sage Publications, Inc., 1981.

4. How Can Performance Be Measured?

Evertson, Carolyn M. and Freda M. Holley. "Classroom Observation," in **Handbook of Teacher Evaluation,** ed. Jason Millman. Beverly Hills, Calif.: Sage Publications, Inc., 1981.

Hutchins, C.L. et al. "Review of the Research on Effective Schools and Effective Teaching." Aurora, Colo.: Mid-continent Regional Educational Laboratory, 1984.

McGreal, Thomas L. **Successful Teacher Evaluation.** Alexandria, Va.: Association for Supervision and Curriculum Development, 1983.

Northwest Regional Educational Laboratory. "Effective Schooling Practices: A Research Synthesis." Portland, Oreg.: 1984.

Purkey, Steward C. and Marshall S. Smith. "Effective Schools: A Review," **Elementary School Journal,** vol. 83, no. 4, March 1983.

5. What Kind of Evaluation Process Should Be Used?

Holley, Freda M. "Personnel Evaluation: Essentials for Success." Phi Delta Kappa, **CEDR Quarterly,** vol. 15, no. 4, Winter 1982.

McGreal, Thomas L. **Successful Teacher Evaluation.** Alexandria, Va.: Association for Supervision and Curriculum Development, 1983.

Medley, Donald M. et al. **Measurement-Based Evaluation of Teacher Performance.** New York: Longman, 1984.

Solomon, Lester M. "Evaluating Teacher Performance." Denver, Colo.: Education Commission of the States, forthcoming.

Strike, Kenneth and Barry Bull. "Fairness and the Legal Context of Teacher Evaluation," in **Handbook of Teacher Evaluation,** ed. Jason Millman. Beverly Hills, Calif.: Sage Publications, Inc., 1981.

6. What Other Incentives Would Achieve Goals?

Bird, Thomas. "School Organization and the Rewards of Teaching." Denver, Colo.: Education Commission of the States, 1985.

Joyce, Bruce R. and Beverly Showers. **Power in Staff Development Through Research on Training.** Alexandria, Va.: Association for Supervision and Curriculum Development, 1983.

Squires, David A. et al. **Effective Schools and Classrooms: A Research Based Perspective.** Alexandria, Va.: Association for Supervision and Curriculum Development, 1983.

7. Which Performance Pay System?

Bacharach, Samuel B. et al. **Paying for Better Teaching: Merit Pay and Its Alternatives.** Ithaca, N.Y.: Organizational Analysis and Practice, Inc., 1984.

Cresap et al. **Teacher Incentives: A Tool for Effective Management.** Reston, Va.: National Association of Secondary School Principals, 1984.

Hatry, Harry P. and John M. Greiner. **Issues in Teacher Incentive Plans.** Washington, D.C.: The Urban Institute, 1984.

Robinson, Glen E. "Paying Teachers for Performance and Productivity: Learning from Experience." Arlington, Va.: Educational Research Service, 1983.

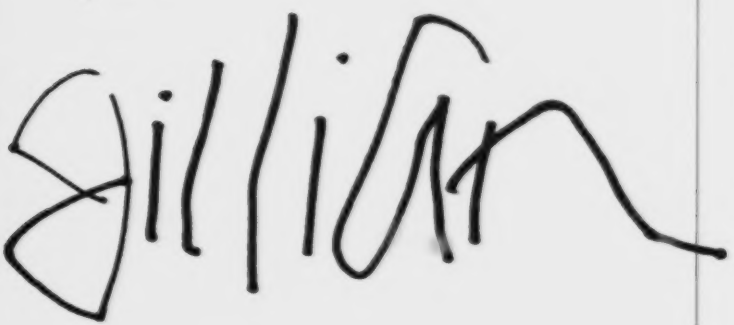
8. Who Should Do What?

Cresap et al. "Developing a District Teacher Incentive Plan," **Teacher Incentives: A Tool for Effective Management.** Reston, Va.: National Association of Secondary School Principals, 1984.

Educational Leadership, November 1983 issue on School Improvement, especially: David P. Crandall, "The Teacher's Role in School Improvement"; A. Martin Huberman, "School Improvement Strategies That Work: Some Scenarios"; and Mathew B. Miles, "Unraveling the Mystery of Institutionalization."

Palaich, Robert. "How States Can Improve Teacher Quality." Denver, Colo.: Education Commission of the States, 1985.

SIGNED



HOW TO ORDER BOOKS IN THIS TEACHER QUALITY SERIES

Release dates for this nine-booklet series will begin November 1 through December 31, 1984. For more information about the issues discussed in these booklets, write or call Robert Palaich at the ECS Denver address, 303-830-3642.

Booklets are priced at $6 each; a full set will be offered at $36. For ordering information or to find out which booklets are available as they are produced over the next few months, write or call the ECS Distribution Center, 303-830-3692.

Booklets are described below. Please use both number and title when ordering.

1. **A Policy Guide to Teacher Reward Systems** by Ellen Flannelly and Rober Palaich, Education Commission of the States, TQ84-1

   The authors present brief arguments for and against major positions on selecting goals for performance pay systems, setting performance standards, designing evaluation programs, different kinds of pay systems and other ways to improve teaching. They also offer a bibliography to support their arguments.

2. **Evaluating Teacher Performance** by Lester M. Solomon, Georgia Department of Education, TQ84-2

   Solomon, writing out of his experience in designing and carrying out a pioneer teacher evaluation plan in Georgia, overviews evaluation procedures accompanying performance-based pay and staff development, and compares testing and on-the-job assessment. He recommends appropriate timing, outlines how to use tests to establish minimum competencies, describes methods of training evaluators and warns against expecting more than evaluation techniques can deliver.

3. **Improving Teacher Quality Through Incentives** by Robert Palaich and Ellen Flannelly, Education Commission of the States, TQ84-3

   Palaich and Flannelly suggest ways for policy makers to clarify their goals for reward-for-performance plans so they may select the most appropriate plans. They set limits on expectations for monetary incentive plans by discussing research that shows that teachers are strongly influenced by intrinsic motivation, school organization and interaction with colleagues, as well as by money. They point out that plans must include clear performance standards and evaluation systems, and that both evaluators and teachers must be trained to use them. Finally, they offer models of merit pay, career ladders and personnel distribution incentives.

4. **Political Myths About Reforming Teaching** by Susan J. Rosenholtz, Vanderbilt University, TQ84-4

   Ten common beliefs about how performance-based pay and promotions will help improve teaching are compared to research findings in this book, and the author concludes that they don't hold up. Although low pay discourages the academically able from entering or remaining in teaching, the author presents research that shows teachers to be more frustrated by their lack of success with students. Rosenholtz identifies the conditions that support effective teaching, states that almost all teachers can improve, cautions against using student test scores as measures of teaching effectiveness and warns that competition for rewards among teachers may mitigate against essential collaboration among teachers and administrators.

5. **How States Can Improve Teacher Quality** by Robert Palaich, Education Commission of the States, TQ84-5

   Local efforts to improve teacher quality can be initiated and/or bolstered by state actions, and Palaich offers a logical cumulative strategy for these actions. He covers screening for admission to schools of education, improving curriculum, graduation requirements, certification and tenure. He also shows how states can help develop and fund better evaluation systems, inservice training and performance reward systems, explaining that certain areas of choice should be left to local districts.

6. **The Legal Context for Teacher Improvement** by the Education Commission of the States' Law and Education Center, TQ84-6

   In an effort to pre-inform policy makers and administrators contemplating teacher improvement plans, ECS Law Center staff explain the legal aspects that may affect these plans, and discuss how to tailor plans to comply with constitutional and statutory requirements. Due process, civil rights, free speech, academic freedom, tenure, collective bargaining and governance issues are covered. Case cites and a selected bibliography support the authors' arguments.

7. **A Guideline for Evaluating Teacher Incentive Systems** by Steven M. Jung, American Institutes for Research, TQ84-7

   Jung develops a conceptual framework for evaluating teacher incentive systems. A performance-based system, he says, bases rewards on behavior rather than on added responsibilities. Stated goals must mesh with goals in practice if evaluations are to be valid. Jung also examines assumptions about teaching excellence and the process components of incentive systems.

8. **School Organization and the Rewards of Teaching** by Thomas Bird, Boulder, Colorado, TQ84-8

   Bird focuses on how to organize schools and school settings to encourage better teaching. He describes organizational schemes that encourage staff to share understandings and techniques, help each other to improve and use research findings to test new methods. He suggests that teachers and administrators be trained as role models, and recommends that experimental research applications be supported at the state level.

9. **The Costs of Performance Pay Systems** by Kent McGuire, Education Commission of the States, and John A. Thompson, University of Hawaii, TQ84-9

   Using two different evaluation systems, the authors simulate the costs of merit pay, career ladders and extended contracts to show how costs — none of them prohibitive — vary with plan design. The authors precede the simulations with a thorough discussion of each cost factor involved.

Designer: Patricia J. Kelly
Typographer: Marci Reser
Printer: Golden Bell Press, Denver